

CITY OF
HAYWARD
HEART OF THE BAY

Update on Solid Waste and Recycling Services Negotiations

City Council Meeting
July 1, 2014

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Director of Utilities & Environmental Services



Recommendation

- Approve a 150-day extension of negotiations
- Authorize approval of an amendment to existing Franchise Agreement



Background

- WMAC History of Service to City
- Tri-CED History of Service to City
- Current Franchise Agreement
- Negotiations with WMAC to assess potential for contract renewal



Current Status

- Current negotiation period ends July 11
- Sufficient progress achieved; some details still remain
- Staff has also prepared a Request For Proposal (RFP) in case of impasse



Council's Options

1. Extend negotiating period with WMAC to work out remaining issues and prepare a Term Sheet; or
2. Terminate negotiations and direct staff to finalize RFP and return to Council in early fall.

Note: Issuing an RFP while continuing to negotiate with WMAC not a practical option



Option 1: Extension of Negotiating Period

- Progress made, but some outstanding issues need more discussion
- 150-day extension sufficient to either:
 - complete negotiations and prepare Term Sheet; or
 - determine that agreement cannot be reached, cease negotiations, and finalize an RFP

Issue: Will this 150-day additional time period adversely impact pursuing a successful RFP process?

Option 2: Direct Staff to Cease Negotiations and Finalize RFP

- Draft RFP has been prepared and can be released in early fall
- Sufficient time left in current contract to complete the process and commence service before the final expiration date

Issue: Since progress has been made with WMAC, is it in the City's best interest to terminate negotiations at this time?

Facility Construction – Impact on Schedule

- One potential service provider would need to build a processing facility in Hayward – adds a year to the timeline
- RFP would need to be released in July to allow time
- Agreement with WMAC to extend the final expiration date to accommodate longer negotiating period
- Therefore, no compelling reason to release the RFP in July



Fiscal and Economic Impact

- Quality solid waste services improve the community's economic vitality and desirability
- Managing service costs helps retain and attract businesses
- Adding services and improving existing ones to respond to regulations and meet desires of the community
- Financial impacts unknown until negotiations are concluded



Public Contact

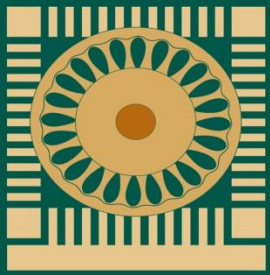
- Input received from various community groups; will continue to solicit ideas
- Staff to evaluate community desires versus the added costs for services



Schedule

Assumed Outcome	Start New Services By:
Negotiations with WMAC successful	January 1, 2015
RFP process	October 1, 2016
RFP process with need for in-City processing facility	October 1, 2017





Questions/Comments/Discussion

